



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

Outgoing  
C0150032  
#3451  
OK

November 23, 2009

Dave Shaver, Manager  
Genwal Resources, Inc.  
P.O. Box 910  
Price, Utah 84520-0910

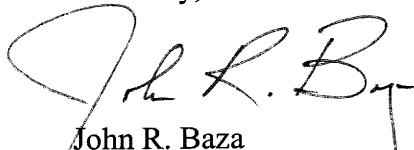
Subject Division Order to Provide Bond for Perpetual Treatment of Mine Water Discharge,  
Genwal Resources, Inc., Crandall Canyon Mine, C/015/0032-DO09A, Outgoing File

Dear Mr. Shaver:

It now appears that there will be a perpetual discharge of iron-contaminated water from the mine portals at the Crandall Canyon Mine. You were recently issued Division Order C/015/0032-DO08A and required to address the long-term treatment and discharge of this water so that it will not impact the hydrologic balance of the receiving stream. We understand that you are currently working on this plan and will address this issue under the time frames already established. We have now determined, that under this plan there will need to be continual treatment of the water so that it meets the effluent limitations. In order to ensure that this perpetual treatment continues, your bond must be adjusted to account for and fund ongoing and continual treatment. The Division is therefore requiring Genwal Resources, Inc. to provide a bond in the amount necessary to treat the discharge of post-reclamation mine water and to maintain the facilities. Please see the enclosed Division Order.

If you have any questions, please contact Dana Dean at (801) 538-5320 or Daron R. Haddock at (801) 538-5325.

Sincerely,

  
John R. Baza  
Director

Enclosure

cc: Price Field Office  
O:\015032.CRA\FINAL\DO-09BONDING.DOC



**STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING**

<b>PERMITTEE</b>  Dave Shaver, Manager Genwal Resources, Inc. P.O. Box 910 Price, Utah 84520-0910  PERMIT NUMBER <u>C/015/0032</u> DIVISION NUMBER <u>DO09A</u>	<b>ORDER &amp; FINDINGS OF PERMIT DEFICIENCY</b>
---	--

PURSUANT to R645-303-212 and R645-301-830.410, the DIVISION ORDERS the PERMITTEE, Genwal Resources, Inc., to make the requisite permit changes enumerated in the findings of Permit Deficiency in order to be in compliance with the State Coal Program. These findings are to be remedied in accordance with R645-303-220.

**FINDINGS OF PERMIT DEFICIENCY**

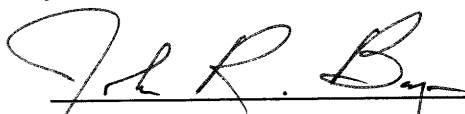
A review of the current Mining and Reclamation Plan (MRP) and field investigations have revealed that certain activities associated with the mine are not adequately addressed. The reclamation plan for the Crandall Canyon Mine does not account for ongoing mine water discharge once operations cease. As a result, the bond cost estimate provided by the Permittee for reclamation of the site and for ongoing treatment and maintenance of the water discharge now occurring at the mine is determined to be inadequate. Thus the bond at the Crandall Canyon Mine is also inadequate.

Genwal Resources, Inc. is required to provide a bond cost estimate and mechanism that will provide for the funding of ongoing and continual treatment of the mine water discharge in accordance with R645-301-830, R645-301-820.130, and R645-301-820.310.

**ORDER**

Genwal Resources, Inc. is hereby ordered to make the requisite permit changes in accordance with R645-303-220 and R645-301-830.410 and to submit a complete, adequate application for permit change to address the findings of permit deficiency within 30 days of the date of receipt of this order. A bond which covers the cost of funding of ongoing and continual treatment of the mine water discharge will need to be posted within 60 days of receipt of this order.

Ordered this 24<sup>th</sup> day of November 2009, by the Division of Oil, Gas and Mining.

  
\_\_\_\_\_  
John R. Baza, Director  
Division of Oil, Gas and Mining